

§ 946.140

in accordance with the application provisions of the order, such inspection modification permit may be cancelled.

[39 FR 1972, Jan. 16, 1974]

§ 946.140 Handling potatoes for commercial processing into products.

Pursuant to § 946.54(a)(6), shipments of potatoes for commercial processing into products may be made only in accordance with paragraphs (a) or (b) of this section.

(a) Shipments may be made to persons whose names are on the State of Washington Potato Committee's list of manufacturers of potato products. Such list may consist of firms actively engaged in the business of canning, freezing, or "other processing" as defined in the act.

(1) Persons desiring to have their name placed on the committee's list shall apply to the committee. Such application shall contain the following:

- (i) Name and address of applicant;
- (ii) Location and description of facilities for commercial processing into products;
- (iii) Expected source of potatoes for commercial processing into products;
- (iv) Such other information as the committee, with approval of the Secretary, may deem necessary.

(2) Upon receipt of an application for such listing, the State of Washington Potato Committee shall make such investigation as it deems necessary, and if it appears that the applicant may reasonably be expected to use potatoes covered by the application in accordance with the requirements of this section, it shall place the applicant's name on the State of Washington Potato Committee's list of manufacturers of potato products.

(b) For each shipment to a person whose name is not on the committee's list, the handler must provide evidence to the committee prior to shipment that the potatoes will be used only for processing into products. Further, he shall submit reports as prescribed by the committee and approved by the Secretary.

[39 FR 1972, Jan. 16, 1974]

7 CFR Ch. IX (1-1-08 Edition)

§ 946.141 Late payment and interest charge.

The Committee shall impose an interest charge on any handler who fails to pay his or her assessment within thirty (30) days of the billing date shown on the handler's assessment statement received from the Committee. The interest charge shall, after 30 days, be one percent of the unpaid assessment balance. In the event the handler fails to pay the delinquent assessment, the one percent interest charge shall be applied monthly thereafter to the unpaid balance, including any accumulated unpaid interest. Any amount paid by a handler as an assessment, including any charges imposed pursuant to this paragraph, shall be credited when the payment is received in the Committee office.

[60 FR 27683, May 25, 1995]

§ 946.142 Operating reserve.

(a) The Committee, with the approval of the Secretary, may carry over excess funds into subsequent fiscal periods as an operating reserve: *Provided*, That funds in the operating reserve may not exceed approximately two fiscal periods' expenses.

(b) The funds in said operating reserve may be used (1) to defray expenses incurred during any fiscal period prior to the time assessment income is sufficient to cover such expenses, (2) to cover deficits incurred during any fiscal period when assessment income is less than expenses, (3) to defray expenses incurred during any period when assessments are suspended or are inoperative and (4) to cover necessary expenses of liquidation in the event of termination of this part.

(c) Upon termination of this part any funds not required to defray the necessary expenses of liquidation shall be disposed of in such manner as the Secretary may determine to be appropriate. To the extent practical, such funds shall be returned pro rata to the handlers from whom they were collected.

(d) Terms used in this section shall have the same meaning as when used in

Agricultural Marketing Service, USDA

§ 946.336

said marketing agreement and this part.

[32 FR 16199, Nov. 28, 1967. Redesignated at 44 FR 73012, Dec. 17, 1979; 60 FR 27683, May 25, 1995]

§ 946.248 Assessment rate.

On and after July 1, 2005, an assessment rate of \$0.0035 per hundredweight is established for Washington potatoes.

[70 FR 35165, June 17, 2005]

Subpart—Handling Regulations

§ 946.336 Handling regulation.

No person shall handle any lot of potatoes unless such potatoes meet the requirements of paragraphs (a), (b), (c), and (g) of this section or unless such potatoes are handled in accordance with paragraphs (d) and (e), or (f) of this section, except that shipments of the blue or purple flesh varieties of potatoes shall be exempt from both this handling regulation and the assessment requirements specified in § 946.41.

(a) *Minimum quality requirements*—(1) *Grade: All varieties*—U.S. No. 2 or better grade.

(2) *Size*: (i) At least 1 $\frac{7}{8}$ inches in diameter, except that all red, yellow fleshed, and white types may be 1 inch (25.4 mm) minimum diameter, if they otherwise meet the requirements of U.S. No. 1.

(ii) All Russet types, 2 inches (54.0 mm) minimum diameter, or 4 ounces minimum weight.

(iii) Any type of any size may be packed in a 3-pound or less container if the potatoes otherwise meet the requirements of U.S. No. 1 grade or better at the time of packing.

(iv) *Tolerances*—The tolerance for size contained in the U.S. Standards for Grades of Potatoes shall apply.

(3) *Cleanliness*: All varieties and grades—as required in the United States Standards for Grades of Potatoes. For example: U.S. No. 2—“not seriously damaged by dirt,” and U.S. No. 1—“fairly clean.”

(b) *Minimum maturity requirements*—(1) *Red, yellow fleshed and white types*: Not more than “moderately skinned.”

(2) *Russet types*: Not more than “slightly skinned.”

(c) *Pack and marking*:

(1) *Domestic*: Potatoes packed in cartons shall be either:

(i) U.S. No. 1 grade or better, except that potatoes which fail to meet the U.S. No. 1 grade only because of internal defects may be shipped without regard to this requirement provided the lot contains no more than 10 percent damage by any internal defect or combination of internal defects but not more than 5 percent serious damage by any internal defect or combination of internal defects.

(ii) U.S. No. 2 grade, provided the cartons are permanently and conspicuously marked as to grade. This marking requirement does not apply to cartons containing potatoes meeting the requirements of (c)(1)(i).

(2) *Export*: Potatoes packed in cartons shall be U.S. No. 1 grade or better.

(d) *Special purpose shipments*. (1) The minimum grade, size, cleanliness, maturity, and pack requirements set forth in paragraphs (a), (b), and (c) of this section shall not apply to shipments of potatoes for any of the following purposes:

- (i) Livestock feed;
- (ii) Charity;
- (iii) Seed;
- (iv) Prepeeling;
- (v) Canning, freezing, and “other processing” as hereinafter defined;
- (vi) Grading or storing at any specified location in Morrow or Umatilla Counties in the State of Oregon;
- (vii) Experimentation.

(2) Shipments of potatoes for the purposes specified in paragraphs (d)(1)(i) through (vii) of this section shall be exempt from the inspection requirements specified in paragraph (g) of this section, except that shipments pursuant to paragraph (d)(1)(vi) of this section shall comply with the inspection requirements of paragraph (e)(2) of this section. Shipments specified in paragraphs (d)(1)(i), (ii), (iii), (v) and (vii) of this section shall be exempt from assessment requirements as specified in § 946.248 and established pursuant to § 946.41.

(e) *Safeguards*. (1) Handlers desiring to make shipments of potatoes for prepeeling shall: